

## 2016 BETTER BUFFALO FUND GUIDELINES

### Table of Contents

#### SECTION 1 THE BETTER BUFFALO FUND

- 1.1 Background and Context
- 1.2 Introduction to the Better Buffalo Fund
- 1.3 Determining a Program Track
- 1.4 Map

#### SECTION 2 TRANSIT ORIENTED DEVELOPMENT

- 2.1 Program Purpose and Goals
- 2.2 Applicant Eligibility
- 2.3 Project Eligibility
- 2.4 Project Activities
- 2.5 Use Restrictions
- 2.6 Forms of Assistance and Terms
- 2.7 Funding Levels
- 2.8 Review Criteria
- 2.9 Application Review and Project Selection
- 2.10 Award Criteria Details

#### SECTION 3 BUFFALO MAIN STREETS INITIATIVE

- 3.1 Program Purpose and Goals
- 3.2 Applicant Eligibility
- 3.3 Project Eligibility
- 3.4 Project Activities
- 3.5 Use Restrictions
- 3.6 Forms of Assistance and Terms
- 3.7 Funding Levels
- 3.8 Review Criteria
- 3.9 Application Review and Project Selection
- 3.10 Award Criteria Details

#### SECTION 4 APPLICATION SUBMISSION FOR ALL BBF APPLICATIONS

- 4.1 Proposal Submission Timeline
- 4.2 Proposal Submission Instructions

## SECTION 1: THE BETTER BUFFALO FUND

### 1.1 Background and Context

In January 2012, Governor Andrew Cuomo made a historic commitment to strategically invest one billion dollars in the Buffalo area economy (the Buffalo Billion) to create new jobs and spur large-scale private investment and increased economic activity. In light of that commitment, and at the request of the Governor, the Western New York Regional Economic Development Council (REDC), in partnership with McKinsey & Company, the Brookings Institution and UB Regional Institute, produced a road map for increasing prosperity in Buffalo and the broader region.

The resulting Buffalo Billion Investment Development Plan (BBIDP) charts “the Buffalo Niagara region’s unique path to a thriving economy that is based on a deep understanding of where we are today and where we can go.” Among the questions it sought to address was how the region can build on its assets to increase sector competitiveness, efficiency and productivity to set the framework for economic growth. The plan identified three enablers toward this goal: human capital; innovation and entrepreneurship; and efficient infrastructure, livable cities, and revitalized, inclusive communities.

Thus the BBIDP developed a strategy around repairing deteriorated urban fabric, revitalizing neighborhoods and investing in the creation of open, thriving and diverse communities connected to each other, employment centers, and a strong regional core through better linear and transit connections as follows:

- **Promote smart growth and spatial efficiency:** Capitalize on the physical transformation of Buffalo’s core required to facilitate economic development after decades of population decline and an outward growth of development that has resulted in urban decay, vacancy and abandonment, and increasingly costly and inefficient infrastructure which put a strain on labor markets, real estate markets, public finances and the economy.
- **Enhance the region’s competitive edge:** Create an economic climate conducive to attracting new developments which yield net social and economic benefits to the region by transforming Buffalo into a vibrant, thriving city with modern amenities and infrastructure, high-quality services, and well-designed, friendly neighborhoods.
- **Increase collaboration between public and private sector investments:** Promote cooperation and coordination between sectors in the strategic implementation of economic development plans and programs to maximize efficiencies and leverage for high impact results.

**The primary purpose of the Better Buffalo Fund is to foster the transformation of our neighborhoods and to facilitate economic development and job growth.**

## 1.2 Introduction to the Better Buffalo Fund

Empire State Development (ESD) is soliciting applications for **Transit Oriented Development (TOD)** and **Buffalo Main Streets Initiative (BMSI)** projects for consideration under the BBF. These programs are positioned to create vibrant, mixed-use, high-density neighborhoods; are focused on giving all residents of the City of Buffalo greater access to the major employment hubs—projected to create thousands of jobs and increase the City’s tax base—announced as part of the Buffalo Billion; and create stronger transit and transportation access linkages between neighborhoods and existing and burgeoning employment centers, job training, and services. Under the program, Buffalo Billion funds will leverage state, local and private sector resources for **capital investments** that improve access in **target neighborhoods and revitalize commercial corridors** in the City of Buffalo. The strategy will specifically focus on:

- **Improving physical infrastructure** to attract and support private development;
- **Fostering dense, mixed-use redevelopment** of the region’s urban core and neighborhoods to attract and retain a dynamic workforce; and
- Investing in **transportation connections** to improve access to employment and educational opportunities for existing and future residents.

## 1.3 Determining a Program Track

Applicants are invited to apply for funds through the BBF by choosing one of the following two initiatives—**Transit Oriented Development** and **Buffalo Main Streets**. **If a project is eligible for both tracks, the applicant must choose one track only.**

### 1.3.1 **Transit Oriented Development (TOD)**

**Transit-Oriented Development (TOD)** is compact, mixed-use development near transit facilities that promotes the use of pedestrian activity and multi-modal transportation. ESD will administer a **grant and revolving loan fund** (with loans given higher preference) for up to **\$2 million** in gap financing (generally not to exceed 20% of total project cost) for adaptive reuse or infill capital projects (with at least 10% equity) along the **Main Street, Niagara Street, Bailey Avenue, Utica Street, Grant Street** and **Fillmore Avenue** corridors (see Map Section 1.4) that encourage the use of multi-modal transportation and contribute to the development of vibrant, mixed-use, high-density neighborhoods around these transportation corridors. Each loan applicant must meet ESD’s underwriting criteria and adhere to the loan terms specified in Section 2.6.

**Applicants interested in the TOD program should proceed to Section 2**

### 1.3.2. **Buffalo Main Streets Initiative (BMSI)**

A program modeled on the New York State Main Street (NYMS) program offered by New York State Homes & Community Renewal’s (HCR) Housing Trust Fund Corporation (HTFC) to strengthen the economic vitality of the State’s traditional “main streets” and neighborhoods, the Buffalo Main Streets Initiative will assist in the revitalization of historic downtowns and mixed-use neighborhood commercial districts (see Map Section 1.4). The program will consider grant requests ranging

from \$50,000 to \$500,000 from local non-profit community based organization/business association. Funds can be used for building renovations and public space enhancements in mixed-use target areas, with direct coordination from the local non-profit community based organization/business association. HTFC will provide technical assistance in application preparation, project development, and other identified community needs.

**Applicants interested in the Buffalo Main Streets Initiative should proceed to Section 3**



## **SECTION 2: TRANSIT ORIENTED DEVELOPMENT**

### **2.1 Program Purpose and Goals**

The TOD track emphasizes growth within existing corridors and encourages alternative transportation and walkability. Funding is available for projects located in the City of Buffalo which promote dense development (housing, employment, and retail) **within ¼ mile walking distance of transit stops on Main Street, Niagara Street, Bailey Avenue, Utica Street, Grant Street and Fillmore Avenue corridors** (see Map Section 1.4) (although projects that fall within ½ mile walking distance of transit stops may be considered if they build upon existing infrastructure and assets); and encourage the use of multi-modal transportation, and stimulate pedestrian activity through retail and neighborhood-oriented businesses and services, quality public spaces, and accessible walkways. Applicants should assess their distance from a transit stop based on walking distance using city streets rather than “as the crow flies.” Projects which are beyond ½ mile from a designated transit stop will not be considered for funding.

### **2.2 Applicant Eligibility**

A wide range of entities are eligible to apply for assistance, including but not limited to: for-profit businesses, not-for-profit corporations, business improvement districts, local development corporations, public benefit corporations (including industrial development agencies), economic development organizations, and the City of Buffalo/related entities. If awarded funding, prior to ESD Directors’ approval and execution of a contract with ESD, a not-for-profit corporation must be registered and up-to-date with filings with the New York State Office of the Attorney General’s Charities Bureau and the New York State Office of the State Comptroller’s VendRep System and must be prequalified in the New York State Grants Gateway.

Applicants must demonstrate the development and financial management expertise to successfully develop, design, construct, manage and implement the project. This expertise is demonstrated through previous experience in successfully developing projects similar to the one proposed, either by partners or key staff within the business or organization.

Applicants must demonstrate ownership or site control of all real estate considered part of the proposed project. Although final acquisition costs may be considered as part of the proposal, applicant must show a clear intent and agreement to purchase such as a Purchase Option Agreement or comparable legal instrument.

If an applicant successfully or unsuccessfully applied for funding in previous rounds of the Better Buffalo Fund, the applicant is eligible to apply in this round of funding; however the progress made on a previously funded project will factor into the outcome of this round’s application.

### **2.3 Project Eligibility**

The nature of the program is to catalyze creative approaches to bettering the city and region for long-term impact. As such, it is intended to be flexible and responsive to innovation and ingenuity, rather than following a proscriptive approach. Applications may request capital assistance only. Mixed-use projects are encouraged and there is a

**preference for projects that include market rate or mixed-income rehabilitated, converted or infill housing (excluding single-family).** Eligible activities may include: targeted rehab and repair; redevelopment of community assets; revitalization/repurposing of brownfields and vacant property; and commercial and mixed-use development. The Better Buffalo Fund encourages applicants to provide new and creative proposals that fit within the goals of the BBF, tailored to neighborhood needs and opportunities.

## **2.4 Project Activities**

Funds may be used for:

- Acquisition of land, buildings, machinery and/or equipment;
- Environmental remediation;
- New construction, renovation or leasehold improvements;
- Acquisition of furniture and fixtures;
- Soft costs of up to fifteen (15%) of total project costs; and
- Planning and feasibility studies related to a specific capital project.

## **2.5 Use Restrictions**

Funding can be used for a relatively broad range of acquisition expenses, hard costs and soft costs. There are several important caveats, as follows:

Funds may only be used for expenses incurred **after** an ESD incentive offer letter has been countersigned by applicant (expense documentation will be required).

Leasehold improvements may be financed if the remaining term of the lease is at least 20 years; however, ESD generally will not accept leasehold interests as collateral for loans.

Standard developer fees may be included in budgets presented for ESD consideration, but ESD funds may not be used to pay them. The following items may **not** be included in budgets presented for ESD consideration:

- Operating expenses, including rent payments.
- Working capital. ESD recognizes that working capital needs often arise from capital expenditures, but ESD will not finance working capital needs.
- Recapitalization/refinancing.

Assets being acquired must be reflected in the budget at a level at or below fair market value. If an applicant proposes acquiring an asset from an affiliate or related entity, the value of that asset must be verified independently.

## 2.6 Forms of Assistance and Terms

As detailed below, the Funds will be administered in two forms: **loans** and **grants**. **As ESD intends to award the most assistance in the form of loans, loan applicants will receive priority.**

Structure	Loan	Grant
Interest Rate	3%	N/A
Term	Up to 10 years for M&E* and up to 20 years for RE	5 years
Amortization	Self-amortizing**	N/A
Security	First lien on machinery & equipment Subordinate lien on real estate	N/A
Loan to Value	Not to exceed 90% at time of closing	N/A
Debt Coverage Ratio	Minimum 1.10	N/A
Third Party Guarantees	Personal guaranty from any 20% or more owner. Corporate guaranty from any 50% or more owner.	From any 50% or more owner (corporate and personal).
Compliance	Loan becomes due if borrower sells the property or materially changes the use of the property from that described in the application without the prior written consent of ESD.	In the event of a default, all or a portion of the grant may be subject to recapture during the five year compliance period.
Minimum Assistance Amount	\$250,000	\$100,000
Maximum Assistance Amount	\$2,000,000	\$2,000,000

\* Not to exceed useful life of collateral.

\*\* ESD may consider interest-only moratoriums and other flexible amortization terms on a case-by-case basis.

## **2.7 Funding Levels**

Fund assistance generally will follow these parameters:

Minimum assistance level: \$250,000 for loans; \$100,000 for grants  
Maximum assistance level: \$2 million

Because awards are offered as an incentive to undertake a project, the project should not begin, and expenses should not be incurred, before funding awards have been announced. Expenses incurred prior to submission of an application should not be included in application project budgets, nor should expenses that will be incurred after submission of an application but prior to an award announcement.

ESD generally seeks to provide no more than twenty percent (20%) of the financing for any particular project.

ESD requires that the applicant contribute a minimum of ten percent (10%) of the total project cost in the form of equity contributed after the applicant's acceptance of ESD's incentive proposal. Equity is defined as cash injected into the project by the applicant or by investors and should be auditable through the applicant's financial statements or accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project or grants from a government source. A building that has already been purchased cannot be used as equity.

There are no restrictions on projects receiving other state funds, and other state funds can be used to meet the matching requirements; however projects will be evaluated on how much private funding the project will leverage. In addition BBF funds are intended to fill gaps in project budget, and not replace private or public funds already committed. The applicant must always disclose whether they are pursuing or intends to pursue multiple ESD funding sources, including grants, loans and tax incentives.

## **2.8 Review Criteria**

TOD proposals will be evaluated on the extent to which they fulfill the goals of the Better Buffalo Fund and the Buffalo Billion Investment Development Plan.

### **Project Readiness**

- Demonstrates sufficient planning to implement within the stated timeline.
- Is ready to move forward upon award announcement.
- All approvals and permitting are in place.

### **Financing, Leverage, and Demonstration of Need**

- Budget is complete, and all sources and uses of funds are clearly defined and documented.
- Budget demonstrates a need for this funding that cannot be obtained through equity or conventional financing.

- Extent and percentage of funding required by BBF as well as additional financial support from alternative sources is sufficient to show viability of the project.
- Evidence or commitments for the balance of project financing are included.

### **Adherence to TOD Principles**

- Proximity of the project to the transit corridor.
- Represents higher density development in relation to the surrounding community.
- There are active uses such as retail and neighborhood-oriented businesses and services on the ground floor and the building is oriented to the sidewalk to spur pedestrian activity in the daytime, evenings and weekends.
- There are quality public spaces that encourage activity and assembly for a variety of uses and users throughout the day.
- Is accessible and includes amenities such as walkways, pathways and universally designed access from the development site to public transportation and other businesses and amenities without the use of a car (including on-site snow management during the winter months), lighting for safety, and effective way-finding.
- Promotes alternative modes of transportation in the project design, amenities, facilities and site planning encouraging use of transit, walking, biking and car sharing. This may include but is not limited to supporting pedestrian and/or bicycle facilities such as shelters, bike storage and racks, seating, information postings, trash receptacles and lighting.
- Parking is managed effectively, so that while parking can be incorporated in the design, it should not be a physical barrier to transit access and should not be the most dominate land use.

### **Project Sustainability**

- There is use of innovative, sustainable, green technologies or materials to improve performance, reduce operating costs and minimize the environmental impact of infrastructure.
- Builds on strengths and encourages development close to anchor institutions, employment centers, transportation nodes, key regional assets and areas of market strength.
- Aligns with REDC's commitment to promote smart growth, preventing further costly damage from sprawl.
- Grounded in current planning consistent with the City's Comprehensive Plan and new Green Code and the goals of REDC, the Buffalo Billion Investment Development Plan and the Better Buffalo Fund.
- Shows demonstrated local support and demonstrated linkages between the proposed project and local planning and development efforts.
- Appropriately planned to align with the urban design context including architectural and design standards consistent with the historic and current neighborhood fabric.

## **Project Impact**

- Demonstrates how and to what extent the project will achieve net benefits, including benefits to the surrounding community and City of Buffalo overall.
- Is additive and inclusive fulfilling the REDC's priority of inclusivity and contribution to a mix of uses, incomes and activities, or help create a unique regional cluster or specialization rather than simply redistributing or relocating tenants and users within the target areas.
- Is highly visible demonstrating tangible, significant progress where the community can see on-the-ground improvement and celebrate the success of the investment.

## **Experience, Qualifications, and Capacity**

- Demonstrates that applicant and affiliated partners and team members have the capacity to complete the project.
- There is evidence the project partners have successfully completed projects of similar scale before.

### **2.9 Application Review and Project Selection**

Each application is reviewed for compliance with statutes and regulations as well as priorities established for the Better Buffalo Fund.

Upon review and project selection, Empire State Development will negotiate and approve the terms and conditions of project support and authorize entering into an Incentive Proposal which will provide the terms and conditions for the receipt of any award.

Applicants selected for funding may be required to participate in a program implementation meeting. The program implementation meeting may be conducted individually, or in a group setting with other successful applicants. Any program issues may be discussed, and applicants will be given instructions and guidance on further processing requirements.

### **2.10 Award Criteria Details**

Notice of a funding award will be given in the form of an incentive proposal outlining the terms of the proposed assistance. The award is subject to approval of the ESD Directors and compliance with applicable laws and regulations. Project funding may only be used for expenses incurred after date that notice of the funding award is given. Applicants are strongly encouraged to review and countersign ESD's incentive proposal prior to starting the project.

The essential terms for the disbursement of assistance are included in the incentive proposal. Although funding is offered prior to project commencement as an inducement

to undertake the project, funds are disbursed in arrears, as reimbursement for eligible project expenditures.

Grant funding typically is disbursed upon project completion.

Projects generally are presented to the ESD Directors once all project expenditures have been undertaken and disbursement of ESD assistance is sought.

All required public approvals must be in place prior to the start of construction and approval by the ESD Directors, including State Environmental Quality Review (SEQR) and consultation with the State Historic Preservation Office, if applicable.

In accordance with the requirements of Article 15-A of the New York State Executive Law: Participation By Minority Group Members and Women With Respect To State Contracts by providing opportunities for MBE/WBE participation, projects awarded funding shall be reviewed by ESD's Office of Contractor and Supplier Diversity, which will set business and participation goals for minorities and women. Such goals shall typically be included in the incentive proposal.

Please note that ESD's agency-wide MWBE utilization goal is 30%. Each project will be assigned an individual contract-specific goal, which may be higher or lower than 30%. Should an applicant receive a funding award, the applicant shall be required to use good faith efforts to achieve the prescribed MWBE goals assigned to this project. Applicants must maintain such records and take such actions necessary to demonstrate such compliance.

In accordance with State law, after approval by the ESD Directors, a public hearing may be required if the project involves the acquisition, construction, reconstruction, rehabilitation, alteration or improvement of any property. ESD will schedule a public hearing in accordance with the New York State Urban Development Corporation Act ("UDC Act") and will take such further action as may be required by the UDC Act and other applicable law and regulations. The ESD Directors must reconsider the matter if any negative testimony is received at the public hearing. (Generally, this hearing occurs the month after the Directors' initial approval). Approval by the Public Authorities Control Board ("PACB"), New York State Comptroller ("OSC") and the New York State Attorney General ("AG") may then be required. Following approval by the ESD Directors and PACB, OSC and AG approval, if required, the documents for processing the grant award will be prepared by ESD. Notwithstanding the process outlined above, no project shall be funded if sufficient resources are not received by ESD for such project.

A \$250 Application Fee, payable when funding is documented in an Incentive Proposal, and a one percent (1%) non-reimbursable commitment fee based on the grant amount awarded will be assessed to all awardees. The commitment fee will be due when the applicant executes documents required for processing the grant, after approval by the ESD Directors. The applicant will be obligated to pay for out-of-pocket expenses incurred in connection with the project, including, but not limited to, expenses related to attorney fees, appraisals, surveys, environmental surveys, title insurance, credit searches, filing fees, public hearing expenses and other requirements deemed appropriate by ESD. Waiver requests from nonprofits will be considered once awards have been announced.

## **SECTION 3: BUFFALO MAIN STREETS INITIATIVE**

### **3.1 Program Purpose and Goals**

The Buffalo Main Streets Initiative (BMSI) is modeled on the New York State Main Street (NYMS) program offered by HCR's Housing Trust Fund Corporation (HTFC). The program aims to assist in the revitalization of historic downtowns and mixed-use neighborhood commercial districts through targeted commercial and residential improvements (single family excluded) such as façade renovations; interior commercial and residential building upgrades; infill construction; and streetscape enhancements. The BMSI adopts basic components of HCR's NYMS program design, specifically, the Initiative will provide matching funds for building renovations and for public space enhancements in discrete, mixed-use target areas, with direct coordination from local not-for-profit community based organizations/business association.

ESD seeks proposals from eligible applicants to contribute to the revitalization of mixed-use (commercial, civic and residential) buildings or neighborhoods by:

- Building on existing planning processes to ensure that capital investments of public funds will enhance the aesthetics and economics of the commercial district;
- Stimulating the economic revitalization of mixed-use districts by providing financial incentives for the rehabilitation of traditional commercial building stock;
- Fostering small business development, thereby providing economic opportunities and promoting economic activity in traditional downtown or neighborhood business locations;
- Expanding affordable housing opportunities in mixed-use districts, including accessible upper floor units;
- Preserving significant and historic buildings and providing an environment that attracts new investment to enable the adaptive reuse of these buildings for new enterprises;
- Addressing existing accessibility, code compliance, energy efficiency and health and safety issues to return vacant spaces to active use.

### **3.2 Applicant Eligibility**

Eligible applicants are organizations incorporated under the NYS Not-for-Profit Corporation Law. Applicants must demonstrate that the organization has been providing relevant service for at least one year prior to application, and has or will obtain sufficient administrative capacity and funding to complete the proposed projects. If awarded funding, prior to ESD Directors' approval and execution of a contract with HTFC, a not-for-profit corporation must be registered and up-to-date with filings with the New York State Office of the Attorney General's Charities Bureau and the New York State Office of the State Comptroller's VendRep System and must be prequalified in the New York State Grants Gateway.

Applicants must demonstrate the experience and financial management expertise to successfully develop, design, manage and implement the project. This expertise is

demonstrated through previous experience in successfully developing projects similar to the one proposed, either by partners or key staff within the organization.

A single primary applicant is required; however, partnerships among stakeholder organizations are strongly encouraged. Project applications that demonstrate coordinated efforts among organizations and with other Better Buffalo Fund initiatives will receive priority consideration.

### **3.3 Project Eligibility**

The BMSI is a community development program. Applicants are encouraged to identify well-defined mixed-use, “Main Street” areas to maximize the impact that the program funds will have on the neighborhood and community. The proposed activities must be carried out in an area that has experienced sustained physical deterioration, decay, neglect, or disinvestment, and has a number of substandard buildings or vacant residential or commercial units. The target area should be an established mixed-use (commercial, civic and residential) district that is pedestrian-oriented and comprised of traditional mixed-use buildings. There is a preference for funding proposals where contiguous buildings will be assisted, maximizing the impact of the investment. There is also a preference for projects that include an affordable housing component.

The BMSI will fund projects within the identified Better Buffalo Fund target areas (see Map Section 1.4) that include the following generally areas; however, **for a property to be eligible for funds, it’s address must be on the street identified on the map.**

Allentown	Jefferson Ave
Bailey	Kaisertown
Broadway/Fillmore	Lovejoy
Chippewa Street	Lower Niagara/Lakeview
East Delavan	Main Street
Elmwood Village	Seneca/Caz
Fillmore/MLK	South Park
Grant/Amherst	Tonawanda/Ontario
Grant/Ferry	Upper Niagara Street
Hertel	

### **3.4 Project Activities**

Applicants are invited to submit proposals for **one or more** of the following activities:

#### **Target Area Building Renovation**

Applicants may request between \$50,000 and \$300,000 for matching grants for renovation of mixed-use buildings. Recipients of funds may award matching grants to district building owners of up to \$50,000/building, plus an additional \$25,000 toward each residential unit renovated, not to exceed 75% of Total project Cost or \$150,000/building, whichever is less. Building renovation grants may be used for exterior facade renovations or interior improvements. Refer to limitations identified in 3.5 Use Restrictions.

### **Infill Construction**

Grant funds may be used to assist in the construction of infill development projects. An applicant may request up to \$500,000 per building, not to exceed 50% of the total project costs. An applicant may apply to assist his/her own property, or apply on behalf of a property owner. Projects must demonstrate an ability to secure local approvals, including conformance with district design standards. A full application for an Infill Construction grant will require a business plan, market analysis and funding commitments to ensure project viability. Refer to limitations identified in 3.5 Use Restrictions.

### **Downtown Anchors**

An applicant may request between \$100,000 and \$500,000 for a standalone, single site, “shovel ready” renovation project. Grant funds may be used to renovate large scale, single projects that are key to local revitalization efforts. An applicant may request up to \$500,000 per building, not to exceed 50% of the total project cost. An applicant may apply to assist his/her own building, or apply on behalf of a property owner. A full application for a Downtown Anchor grant will require a business plan, market analysis and funding commitments to ensure project viability. Refer to limitations identified in 3.5 Use Restrictions.

### **Streetscape Enhancement**

Grant funds may be used to implement a streetscape enhancement project as part of a Target Area Building Renovation project only. Applicants may request up to \$25,000 for streetscape enhancement activities such as: planting trees; installing of street furniture and trash receptacles; and installing signs in accordance with a local signage plan.

**Streetscape enhancement grants must be ancillary to a Target Area Building Renovation grant request only.**

### **Administration**

Applicants may request up to 7.5% of the grant amount for salaries and other costs associated with the administration of the grant. The administrative funds must be requested at the time of application, and must be included within the maximum request amount.

#### **Example: Target Area Building Renovation Grant Request**

Target Area Building Renovation funds (to renovate six buildings)	\$216,250
Streetscape Enhancement Funds: install bike racks and benches	\$15,000
Administration: staff time to administer grant (7.5% of grant request)	\$18,750
<b>Total Better Buffalo Fund request</b>	<b>\$250,000</b>

#### **Example: Downtown Anchor or Infill Construction Grant Request**

Downtown Anchor (to renovate one building)	\$185,000
Administration: staff time to administer grant (7.5% of grant request)	\$15,000
<b>Total Better Buffalo Fund request</b>	<b>\$200,000</b>

### **3.5 Use Restrictions**

ESD funds must be used for a capital use purpose or necessary project delivery expenses such as architectural and engineering work, or required environmental review expenses purpose with the exception of a maximum of 7.5% of grant for Main Street administration.

Improvements to structures owned by religious or private, membership-based organizations; or improvements to municipally owned buildings used for municipal purposes are ineligible uses of funds.

The purchase of non-permanent fixtures, such as furnishings, appliances, electronics, and business equipment; general organizational operating expenses; capitalizing a revolving loan fund; site work or ancillary activities on a property, including septic systems and laterals, grading, parking lots, sidewalks, landscaping, fences, free standing signs, and general maintenance; and predevelopment planning and associated expenses, as BMSI projects must result in a completed, occupied space.

New construction is not eligible under the Downtown Anchor and Target Area Building Renovation activities.

Costs incurred prior to contract execution, and environmental review will not be eligible for reimbursement.

### **3.6 Forms of Assistance and Terms**

Funds will be administered in the form of **grants**.

### **3.7 Funding Levels**

Fund assistance generally will follow these parameters:

Minimum assistance level: \$50,000 (see section 3.4 for details)  
Maximum assistance level: \$500,000 (see section 3.4 for details)

See 3.4 for matching requirements.

### **3.8 Review Criteria**

BMSI proposals will be evaluated on the extent to which they fulfill the goals of the Better Buffalo Fund, the NYS Main Street Program and the Buffalo Billion Investment Development Plan.

#### **Project Readiness**

- Demonstrates sufficient planning to implement within the stated timeline, including: identified project start/completion dates, estimated amount of time needed for design, environmental review, permitting or other required project activities and potential delays.
- Is ready to move forward upon award announcement. The proposal has identified specific projects, has a clearly substantiated request amount, has obtained local approvals, demonstrates a clear understanding of NYMS administrative procedures and has necessary organizational structures in place to implement the proposed project, without delay.

#### **Financing and Leverage**

- The budget is complete, and all sources and uses of funds are clearly defined and documented.
- The budget demonstrates a need for this funding that cannot be obtained through equity or conventional financing.
- The extent and percentage of committed matching funds required by BBF as well as additional financial support from alternative sources, specifically private funds, is sufficient to show viability of the project. Evidence of commitments for the balance of project financing is included.
- The source of construction financing is clear.

#### **Main Street Principles**

- Preserves and improves housing units and/or addresses affordable housing needs in the target area especially through the creation of residential units on upper floors of mixed use buildings.
- Improves the aesthetics of the Main Street commercial corridor, and/or spurs investment of private resources to sustain commercial assets resulting in the greatest impact on business conditions.
- There are active community-based downtown revitalization efforts and the project relies on consensus-building and cooperation among groups and individuals who have a role in the revitalization process.
- There is a viable strategy for retaining and assisting existing businesses, attracting new customers, potential investors and residents, and finding new commercial uses for traditional buildings in the district thereby growing the district's existing economic base, while meeting the challenges of commercial sprawl.

## **Program/Project Design**

- There are administrative procedures and appropriate staff in place and understanding of program rules and requirements is clear.
- There is demonstrated local support and linkages between the proposed project and local planning and development efforts and the City's Comprehensive Plan and new Green Code and the goals of REDC, the Buffalo Billion Investment Development Plan and the Better Buffalo Fund.
- There is support and a review process in place to ensure a unified approach to design consistent with the historic and current neighborhood fabric.
- The process that will be used to review and develop the design of projects and actions taken to preserve historic buildings in the target area is clear.

## **Project Need and Impact**

- The condition of existing commercial and residential properties in the targeted area presents a need for the proposed project and a need for public investment. The needs described correspond to the proposed activities and the activity resolves or addresses the identified need.
- Demonstrates how and to what extent the project will have a positive public benefit and sustainable positive impact, including benefits to the surrounding neighborhood and City of Buffalo overall.
- Builds on strengths and encourages development close to anchor institutions, employment centers, transportation nodes, key regional assets and areas of market strength.
- Is additive and inclusive fulfilling the REDC's priority of inclusivity and contribution to a mix of uses, incomes and activities, and/or it helps create a unique regional cluster or specialization rather than simply redistributing or relocating tenants and users within the target areas.
- Is highly visible, demonstrating tangible, significant progress where the community can see on-the-ground improvement.

## **Experience, Qualifications, and Capacity**

- The applicant and affiliated partners and team members have the capacity to complete the project.
- The applicant identifies staff with relevant experience to be involved in the grant administration process.
- There is evidence that applicant organization has successfully administered renovation grants of similar scale before.
- If applicable, the applicant has satisfactory past and current performance on contracts under the BBF, NY Main Street Program and/or other state programs.

### **3.9 Application Review and Project Selection**

Each application is reviewed for compliance with statutes and regulations as well as priorities established for the Better Buffalo Fund.

HTFC reserves the right not to issue an award or contract to any applicant if it has been determined that the applicant is not in compliance with existing state contracts and has not taken satisfactory steps to remedy such non-compliance. Projects that commence prior to contract execution and environmental review will not be eligible for reimbursement.

HTFC reserves the right to award less than the requested amount. Award of BMSI funds does not confirm eligibility of all activities included in application proposal, and HTFC reserves the right to change or disallow aspects of the applications received and may make such changes an expressed condition of its commitment to provide funding to a project.

Applicants selected for funding may be required to participate in a program implementation meeting. The program implementation meeting may be conducted individually, or in a group setting with other successful applicants. Any program issues may be discussed, and applicants will be given instructions and guidance on further processing requirements.

### **3.10 Award Criteria Details**

**The following forms on the New York State Homes & Community Renewal website <http://www.nyshcr.org/Forms/bmsi/> are not required for the application, but could be referenced to further understand the environmental review and grant administration processes for awarded projects.**

#### **Contract Term**

BMSI awardees enter into a two-year grant agreement; all activities must be completed within this two-year term. BMSI projects must not commence prior to award, and grant agreement execution. Costs incurred prior to award and grant agreement execution will not be eligible for reimbursement.

#### **Environmental Review**

Prior to the commitment or expenditure of BMSI program funds, the environmental effects of each activity must be assessed in accordance with the State Environmental Quality Review Act (SEQRA). Environmental Compliance areas evaluated for each project include, but not limited to Historic and Cultural Resources, Floodplains, Zoning, Site Contamination, Lead Based Paint, Asbestos Containing Materials, Radon and Wetlands.

#### **Funding Commitments**

BMSI Downtown Anchors and Infill Construction must be ready to commence upon award, grant agreement execution and environmental review. HTFC will not execute a

grant agreement with applicants unable to present evidence of site control and funding commitments sufficient to undertake the proposed project following the award.

#### Procurement & Bidding

BMSI renovation projects and related professional services require a minimum of two bids to establish reasonableness of cost.

#### Matching Funds

Each of the BMSI activities require matching funds, and only funds directly invested in eligible project activities are eligible as the required match. In kind match is not eligible, and costs incurred prior to award and contract execution are not eligible.

#### Regulatory Term

Funds will be administered in the form of grants with a five year regulatory term. Participating property owners will be required to execute a regulatory agreement called a Property Maintenance Declaration and to maintain the assisted improvements for the five year regulatory term. If a building is altered, transferred or sold during the regulatory term repayment of the grant funds will be required.

Project Term Completion Dates: Recipients of BMSI funding enter into a two-year (24 month) grant agreement in which all funds must be expended and all proposed accomplishments met. Applicants should not submit applications if they do not expect to initiate the project within a reasonable time period after receiving an executed contract or will not be able to complete the project within the two-year term. Funds remaining at the end of the two-year period are subject to de-obligation and reallocation.

## **SECTION 4 APPLICATION SUBMISSION FOR ALL BBF APPLICATIONS**

### **4.1 Proposal Submission Timeline**

<u>Activity</u>	<u>Date</u>
Program guidelines released/applications are accepted	2/2/16
Applications due	3/28/16 at 4:00 P.M.

### **4.2 Proposal Submission Instructions**

**Applications should be submitted online through New York State's Consolidated Funding Application portal <https://apps.cio.ny.gov/apps/cfa/index.cfm> by 4:00 P.M. on Monday, March 28, 2016. Late proposals will not be considered.**

#### Questions:

- All questions can be directed to Empire State Development via email [BBF@esd.ny.gov](mailto:BBF@esd.ny.gov).
- Empire State Development reserves the right to issue an addendum to these Guidelines if required.